

Long Live The Queen – Viva El Rey

By **LORD BRENNAN QC**

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is a Law graduate of Manchester University, from where he was subsequently awarded an Honorary Doctorate. He was called to the bar at Gray's Inn in 1967 and became a Queen's Counsel in 1985. He is a Deputy High Court Judge and a Recorder in the Crown Court. He was created Baron Brennan, of Bibury in the County of Gloucestershire in 2000 and is president of the Catholic Union of Great Britain. He is married to a Spanish national, Pilar Sánchez Moya, with whom he has four sons.

The United Kingdom, by invitation of the Queen, will this week celebrate the State Visit of Spain's King Felipe VI and Queen Letizia. Both countries are constitutional monarchies – the United Kingdom through a long history of political and royal events, and Spain through its written constitution, agreed to by the people during the transition period after the death of Franco. This State Visit is of great significance to our two nations. We both have reasonable political stability, our royal families are important in our national life, and we have many common interests of commerce and trade. This Visit should emphasise the value of these common interests.

The UK and Spain know each other. Many British live permanently in Spain, in work or retirement. Some 116,000 Spaniards are officially resident in the UK, including nearly 20,000 in health, education and public services, and 17,000 in financial services. The crossover in tourism is very substantial. Of the 60 million or so tourists to Spain each year, about a quarter are British. This is a vital help to the tourist business and employment prospects for Spain. There are many Spanish tourists in the UK, with plenty of Spanish hotels and restaurants. The recent fall in the sterling exchange rate makes the UK all the more attractive a destination.

Spanish long-term investment in the UK is high. In the banking sector, Santander is one of our biggest banks with some recent figures indicating over 20 per cent of its business profits generated here, and with nearly 30 per cent of its global internal resources based here. BBVA has a substantial presence, and in 2015 Banco Sabadell acquired TSB retail banking. In telecommunications, Telefonica bought O2 several years ago for €13 billion. Inditex of Zara fame has over a 100 UK stores, in infrastructure and public services Ferrovial has over €4 billion in assets and a large proportion of group sales here. It has the concessions at four airports, Heathrow, Glasgow, Aberdeen and Southampton. It is involved in public construction works as well. Aena is the main shareholder in the concession at Luton Airport where passenger numbers have increased to record levels. Iberdrola bought Scottish Power for over €17 billion years ago and estimates are that by 2020 about 25 per cent of its profits will come from the UK.

British investment into Spain puts the UK as the third highest foreign direct investor with about 11 per cent of the total FDI and a contribution to state revenues there of around €6 billion. Last year Rolls Royce bought the Spanish engine maker ITP for some €500 million. The International Airlines Group (IAG) is the UK-based investor company that owns Iberia and Vueling as well as BA. Investment in property and insurance services is also significant.

There are many other examples of the benefits for each of our countries of commerce and employment arising from such unilateral business arrangements made by purchase and/ or investment. Brexit presents a challenge to EU-oriented trade and import/ export arrangements, but this area is separate from the picture that has been described above. The areas of mutual interest can combine well for international commerce and investment by our countries. In this 21st century we each need to clarify our world vision and national objectives that can be achieved by cooperation. We both look to the Atlantic. We both have had the experience of great empires. We already cooperate in great enterprises. So we can cooperate yet further, for example in the Americas, where in North and South there are huge challenges and opportunities in infrastructure projects and non-carbon energy systems. Consortia of banks, construction companies and designers, architects and engineers from both countries could be really successful. We can and should work together in these areas.

Although there have been differences between us in the past let us remember on the occasion of this State Visit the times in history that brought us closer. Early in the 16th century, Catherine of Aragon married Arthur, Prince of Wales, and then after his early death she married Henry VIII. She was the daughter of King Ferdinand and Queen Isabella, the Catholic Kings who founded the nation of Spain. Much later, in the Peninsular war, Wellington drove the French out of Spain and Portugal and so ended the only significant occupation of Spain since the Moorish Kingdoms.

So, when considering that which connects our two countries on this State Visit let us recognise much of value – an occasion to declare “Long Live The Queen” and “Viva El Rey”!